

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2004

	June-04					March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY03	Ended	Ended
				Net ROR	Net ROR													Net ROR	Net ROR	6/30/2003	6/30/2003
																				Net	Net
LARGE CAP DOMESTIC EQUITY																					
<i>Structured Growth</i>																					
LA Capital	58,504,010	4.5%	4.5%	2.77%	1.97%	56,474,277	4.3%	4.5%	-0.32%	56,596,294	4.4%	4.5%	9.12%	51,838,717	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	10	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	58,504,010	4.5%	4.5%	2.77%	1.97%	56,474,287	4.3%	4.5%	-0.32%	56,596,294	4.4%	4.5%	9.12%	51,838,717	4.4%	4.5%	6.62%	19.20%	-1.48%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				1.94%	1.25%				0.79%				10.41%				3.92%	17.88%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>																					
LSV	61,501,423	4.7%	4.5%	2.13%	3.96%	60,837,450	4.6%	4.5%	6.07%	62,431,391	4.9%	4.5%	15.61%	54,142,627	4.6%	4.5%	3.36%	29.44%	-2.05%	9.06%	3.95%
<i>Russell 1000 Value</i>				0.88%	2.36%				3.03%				14.19%				2.06%	21.13%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																					
LA Capital	71,288,370	5.5%	4.5%	1.47%	1.68%	59,556,959	4.5%	4.5%	1.60%	58,574,591	4.6%	4.5%	11.80%	52,397,265	4.5%	4.5%	2.89%	18.59%	1.08%	N/A	N/A
<i>Russell 1000</i>				1.40%	1.80%				1.90%				12.26%				3.00%	19.48%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																					
Northern Trust	79,364,914	6.1%	4.5%	1.40%	1.76%	56,488,320	4.3%	4.5%	1.83%	55,434,137	4.4%	4.5%	12.42%	49,310,551	4.2%	4.5%	2.51%	19.00%	0.28%	N/A	N/A
Strong	15,031,850	1.2%	4.5%	1.68%	3.15%	58,734,387	4.5%	4.5%	2.68%	57,156,326	4.5%	4.5%	12.76%	50,694,242	4.3%	4.5%	2.89%	21.13%	3.30%	N/A	N/A
Westridge	74,841,409	5.7%	4.5%	1.74%	1.92%	61,494,988	4.7%	4.5%	1.76%	60,396,621	4.7%	4.5%	12.24%	53,820,227	4.6%	4.5%	2.67%	19.30%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	169,238,174	13.0%	13.5%	1.61%	2.28%	176,717,695	13.4%	13.5%	2.09%	172,987,083	13.6%	13.5%	12.47%	153,825,020	13.1%	13.5%	2.69%	19.81%	1.35%	N/A	N/A
<i>S&P 500</i>				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%	N/A	N/A
<i>S&P 500 Index</i>																					
State Street	40,183,141	3.1%	3.0%	1.72%	1.94%	39,890,540	3.0%	3.0%	1.68%	39,199,011	3.1%	3.0%	12.16%	34,944,955	3.0%	3.0%	2.64%	19.08%	0.31%	-11.14%	-1.58%
<i>S&P 500</i>				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	400,715,118	30.7%	30.0%	1.75%	2.27%	393,476,931	29.9%	30.0%	2.22%	389,788,370	30.6%	30.0%	12.33%	347,148,586	29.7%	30.0%	3.03%	20.38%	0.49%	-9.68%	-2.32%
<i>S&P 500</i>				1.72%	1.94%				1.69%				12.18%				2.64%	19.11%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																					
<i>Manager-of-Managers</i>																					
SEI	138,548,276	10.6%	10.0%	-0.89%	3.15%	139,871,399	10.6%	10.0%	6.67%	135,948,739	10.7%	10.0%	14.93%	122,768,785	10.5%	10.0%	9.73%	33.33%	0.68%	N/A	N/A
<i>Russell 2000 + 200bp</i>				0.98%	4.38%				6.78%				15.07%				9.60%	35.99%	0.37%	N/A	N/A
Total SMALL CAP DOMESTIC EQUITY	138,548,276	10.6%	10.0%	-0.89%	3.15%	139,871,399	10.6%	10.0%	6.67%	135,948,739	10.7%	10.0%	14.93%	122,768,785	10.5%	10.0%	9.73%	33.33%	0.68%	-3.37%	-0.65%
<i>Russell 2000</i>				0.47%	4.21%				6.26%				14.52%				9.07%	33.36%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																					
<i>Large Cap - Core</i>																					
State Street	27,849,783	2.1%	2.0%	0.62%	2.48%	27,601,126	2.1%	2.0%	4.41%	29,040,623	2.3%	2.0%	14.33%	25,214,812	2.2%	2.0%	6.10%	27.44%	-9.96%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>																					
Capital Guardian	68,644,477	5.3%	5.0%	-0.43%	1.11%	68,755,202	5.2%	5.0%	3.09%	70,169,475	5.5%	5.0%	13.65%	61,325,566	5.2%	5.0%	7.48%	25.40%	-11.30%	-14.96%	0.47%
Bank of Ireland	13,827,758	1.1%	1.0%	0.80%	1.34%	13,682,145	1.0%	1.0%	1.62%	13,799,845	1.1%	1.0%	17.49%	11,668,820	1.0%	1.0%	2.70%	23.61%	-10.28%	N/A	N/A
Total Large Cap - Active	82,472,235	6.3%	6.0%	-0.22%	1.15%	82,437,347	6.3%	6.0%	2.85%	83,969,319	6.6%	6.0%	14.27%	72,994,387	6.2%	6.0%	6.69%	25.11%	-11.12%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>																					
Lazard	14,834,404	1.1%	1.0%	4.22%	4.19%	14,199,242	1.1%	1.0%	9.32%	13,934,493	1.1%	1.0%	14.48%	13,370,769	1.1%	1.0%	10.72%	44.40%	-2.32%	N/A	N/A
Wellington	14,426,674	1.1%	1.0%	-0.66%	3.10%	14,835,439	1.1%	1.0%	9.37%	13,909,184	1.1%	1.0%	11.65%	14,027,503	1.2%	1.0%	17.28%	42.26%	5.97%	N/A	N/A
Total Small Cap - Active	29,261,077	2.2%	2.0%	1.73%	3.65%	29,034,681	2.2%	2.0%	9.34%	27,843,677	2.2%	2.0%	12.96%	27,398,271	2.3%	2.0%	14.01%	43.25%	1.75%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				-0.16%	4.60%				12.80%				13.31%				15.95%	47.95%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	139,583,095	10.7%	10.0%	0.36%	1.93%	139,073,154	10.6%	10.0%	4.47%	140,853,620	11.1%	10.0%	14.01%	125,607,470	10.7%	10.0%	8.08%	29.19%	-8.22%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				1.16%	2.28%				4.09%				13.15%				6.58%	26.98%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																					
<i>Capital Guardian</i>	62,004,972	4.7%	5.0%	-10.97%	-0.98%	78,829,987	6.0%	5.0%	9.14%	72,232,247	5.7%	5.0%	14.85%	66,631,691	5.7%	5.0%	14.62%	27.91%	7.15%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				-9.58%	0.46%				9.71%				17.81%				14.23%	33.50%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																					
<i>Core Bond</i>																					
Western Asset	39,602,193	3.0%	3.2%	-1.54%	0.81%	40,257,366	3.1%	3.2%	2.83%	35,371,780	2.8%	3.2%	1.24%	34,417,610	2.9%	3.1%	-0.47%	2.02%	13.42%	11.88%	8.58%
<i>Lehman Aggregate</i>				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	7.54%
<i>Active Duration</i>																					
WestAM (Criterion)	38,867,733	3.0%	3.2%	-2.56%	0.43%	35,624,737	2.7%	3.2%	2.45%	34,671,173	2.7%	3.2%	0.32%	34,018,566	2.9%	3.1%	-0.39%	-0.25%	9.93%	9.39%	6.85%
<i>Lehman Aggregate</i>				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	7.54%
<i>Index</i>																					
Bank of ND	61,720,635	4.7%	5.1%	-3.18%	0.49%	63,084,348	4.8%	5.0%	3.09%	54,493,573	4.3%	4.9%	-0.10%	54,655,238	4.7%	4.8%	-0.73%	-1.03%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	12,363,168	0.9%	0.9%	1.27%	0.42%	12,808,593	1.0%	1.0%	0.87%	13,540,670	1.1%	1.1%	1.41%	13,516,361	1.2%	1.2%	1.43%	5.08%	5.83%	5.84%	5.85%
Total Index	74,083,804	5.7%	6.0%	-2.34%	0.47%	75,892,941	5.8%	6.0%	2.61%	68,034,243	5.3%	6.0%	0.23%	68,171,600	5.8%	6.0%	-0.21%	10.77%	10.77%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				-3.17%	0.41%				3.08%				-0.03%				-0.50%	-0.72%	13.15%	10.82%	7.83%

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	June-04					March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Allocation		Quarter	Allocation		Quarter	Net ROR	Fiscal YTD	FY03	Ended 6/30/2003	Ended 6/30/2003		
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value						Actual	Policy
Convertibles																					
TCW	39,970,911	3.1%	3.2%	1.59%	2.48%	39,391,315	3.0%	3.2%	2.55%	38,305,398	3.0%	3.2%	10.01%	35,017,988	3.0%	3.1%	1.86%	16.74%	10.37%	-9.08%	N/A
First Boston Convertible Index				-0.87%	1.19%				3.60%				8.54%				2.67%	14.44%	15.35%	-3.81%	N/A
BBB Average Quality																					
Strong	37,619,794	2.9%	3.2%	-3.58%	0.53%	39,053,023	3.0%	3.2%	3.37%	35,035,789	2.8%	3.2%	1.47%	34,720,841	3.0%	3.1%	0.16%	1.29%	14.81%	10.35%	N/A
Lehman BBB				-3.55%	0.47%				3.41%				1.22%				0.27%	1.23%	18.33%	9.91%	N/A
Timberland																					
Evergreen (Wachovia)	68,888,429	5.3%	5.3%	2.46%	0.31%	69,402,018	5.3%	5.3%	1.89%	67,777,483	5.3%	5.3%	6.04%	64,138,631	5.5%	5.5%	-0.22%	10.46%	12.50%	N/A	N/A
																			N/A	N/A	
TOTAL DOMESTIC FIXED INCOME	299,032,864	22.9%	24.0%	-0.81%	0.74%	299,621,400	22.8%	24.0%	2.61%	279,195,865	21.9%	24.0%	3.15%	270,485,236	23.1%	24.0%	0.09%	5.08%	11.62%	6.95%	6.77%
Lehman Aggregate				-2.44%	0.57%				2.66%				0.32%				-0.15%	0.32%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																					
Western Asset	-	0.0%	0.0%	N/A	N/A	65,854,837	5.0%	5.0%	1.39%	64,957,984	5.1%	5.0%	5.54%	61,549,306	5.3%	5.0%	1.99%	N/A	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				N/A	N/A				2.34%				5.91%				2.77%	N/A	22.77%	5.44%	2.66%
Loomis Sayles	32,001,737	2.5%	2.5%		2.47%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lehman High Yield Cash Pay Index					1.44%													N/A	N/A	N/A	N/A
Sutter/Wells Capital	32,594,497	2.5%	2.5%		0.97%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index					1.45%													N/A	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	64,596,234	4.9%	5.0%		1.71%	65,854,837	5.0%	5.0%	1.39%	64,957,984	5.1%	5.0%	5.54%	61,549,306	5.3%	5.0%	1.99%	7.69%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index					1.43%				2.34%				5.91%				2.77%	10.33%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																					
International Sovereign																					
UBS Global (Brinson)	30,404,030	2.3%	2.5%	-3.20%	0.31%	31,413,185	2.4%	2.5%	1.43%	30,970,189	2.4%	2.5%	6.49%	27,027,414	2.3%	2.5%	3.17%	7.86%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				-3.39%	0.16%				1.57%				6.71%				2.75%	7.59%	17.91%	8.10%	6.29%
International Core																					
Brandywine	31,522,228	2.4%	2.5%	-1.10%	-0.20%	31,874,617	2.4%	2.5%	1.76%	31,323,368	2.5%	2.5%	7.32%	26,451,362	2.3%	2.5%	1.52%	9.65%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				-3.22%	0.10%				-0.93%				6.77%				2.76%	5.20%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	61,926,258	4.7%	5.0%	-2.15%	0.05%	63,287,803	4.8%	5.0%	1.60%	62,293,557	4.9%	5.0%	6.91%	53,478,776	4.6%	5.0%	2.35%	8.78%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				-3.39%	0.16%				1.57%				6.71%				2.75%	7.59%	17.91%	8.10%	6.29%
REAL ESTATE																					
JMB	15,736			-1.49%	-1.49%	15,974			0.02%	16,912			12.83%	26,405			-8.75%	1.45%	-18.62%	-5.76%	0.42%
INVESCO	27,271,760			2.16%	0.54%	33,002,324			1.88%	32,830,521			2.16%	25,898,627			0.37%	6.72%	8.15%	8.00%	7.69%
J.P. Morgan	34,143,307			3.15%	1.33%	33,214,897			1.95%	32,580,709			3.16%	31,584,102			2.43%	11.11%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	61,430,803	4.7%	5.0%	2.64%	0.92%	66,233,194	5.0%	5.0%	1.96%	65,428,141	5.1%	5.0%	2.63%	57,509,135	4.9%	5.0%	1.36%	8.87%	7.97%	7.69%	9.00%
NCREIF TOTAL INDEX				3.12%	1.03%				2.56%				2.76%				1.97%	10.82%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																					
Brinson IVCF II	213,363			13.72%	3.36%	187,615			-5.80%	199,179			11.72%	275,245			-0.23%	19.39%	-7.44%	-23.62%	10.02%
Coral Partners II	119,302			0.54%	0.00%	118,546			1.20%	115,719			2.23%	167,358			9.73%	14.14%	10.56%	-36.34%	-15.79%
Coral Partners V	7,681,076			-25.03%	0.00%	10,236,433			0.00%	10,466,835			-1.26%	10,093,446			-6.88%	-31.07%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	687,627			-6.24%	0.00%	732,698			66.55%	520,734			-0.95%	525,087			-15.67%	30.44%	-28.36%	N/A	N/A
Coral Partners VI	3,897,174			-1.53%	0.00%	3,954,096			-5.08%	1,568,769			-4.63%	1,642,935			-12.18%	-21.72%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,638,056			-1.29%	-1.29%	1,853,702			4.04%	1,783,176			2.36%	1,842,152			4.07%	9.41%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,733,556			2.43%	0.54%	2,438,328			5.59%	2,392,327			4.99%	2,275,838			0.98%	14.66%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	4,539,319			3.79%	0.36%	4,221,412			3.85%	4,068,297			2.47%	3,659,166			0.67%	11.19%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	2,095,202			3.30%	1.78%	1,599,399			3.95%	1,246,887			-1.11%	1,259,372			0.43%	6.64%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	975,089			1.87%	1.87%	1,167,345			1.28%	843,278			-1.16%	852,192			12.21%	14.42%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	163,690			-2.97%	-2.97%	168,543			2.18%	82,400			-0.24%	82,498			-3.58%	-4.63%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,379,663			-1.96%	-0.63%	1,258,416			10.02%	1,144,744			5.58%	1,246,189			6.32%	21.09%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,722,945			2.68%	2.68%	1,676,376			8.72%	1,543,173			0.52%	1,533,423			2.82%	15.38%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	1,077,186			1.06%	1.06%	1,064,920			6.10%	848,296			1.18%	837,408			7.50%	16.63%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,618,215			4.30%	4.30%	1,550,028			8.66%	1,285,056			0.96%	1,158,626			3.71%	18.67%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	383,476			-3.57%	-3.72%	218,308			-0.37%	219,289			0.05%	75,361			-0.05%	-3.93%	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	74,216			0.00%	0.00%	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	7,836,890			10.87%	0.00%	6,718,008			14.62%	5,866,060			-3.67%	6,082,204			-1.02%	21.17%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	11,212,888			1.34%	0.00%	13,232,259			0.47%	13,740,120			10.99%	12,364,863			0.00%	13.00%	N/A	N/A	N/A
InvestAmerica	1,605,527			0.00%	0.00%	1,603,997			-7.73%	1,739,848			0.00%	1,737,784			0.00%	-7.73%	-12.50%	N/A	N/A
Hearthstone MSII	445,445			6.14%	0.00%	817,268			0.00%	1,973,922			15.36%	2,348,807			5.06%	28.64%	28.98%	13.57%	N/A
Hearthstone MSIII	6,723,416			0.00%	0.00%	4,462,336			-0.85%	4,988,857			0.00%	293,462			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	58,823,318	4.5%	5.0%	-2.21%	0.28%	59,280,033	4.5%	5.0%	3.24%	56,636,966	4.4%	5.0%	3.18%	50,353,415	4.3%	5.0%	-0.91%	3.23%	-9.65%	-13.02%	0.04%
CASH EQUIVALENTS																					
Northern Trust STIF/STEP	19,060,433	1.5%	1.0%	0.40%	0.10%	9,289,514	0.7%	1.0%	0.36%	6,680,284	0.5%	1.0%	0.32%	14,952,391	1.3%	1.0%	0.35%	1.44%	1.84%	3.33%	4.22%
90 Day T-Bill				0.24%	0.07%				0.24%				0.26%				0.25%	0.98%	1.52%	3.33%	4.07%
TOTAL FUND	1,305,721,372	100.0%	100.0%	-0.46%	1.50%	1,314,818,252	100.0%	100.0%													

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.